



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4  
ATLANTA FEDERAL CENTER  
61 FORSYTH STREET  
ATLANTA, GEORGIA 30303-8960

**NOTICE DEMAND FOR PAYMENT AND SETTLEMENT OFFER**  
**URGENT LEGAL MATTER**  
**PROMPT REPLY REQUESTED**  
**VIA CERTIFIED MAIL: RETURN RECEIPT REQUESTED**

December 19, 2012

Carlisle Syn Tec, Inc.  
Mr. Christopher Sager  
1285 Ritner Highway  
Carlisle, PA 17013-7930

Re: Ward Transformer Superfund Site, Raleigh, Wake County, North Carolina

Dear Sir or Madam:

Pursuant to Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. Section 9607(a), the U.S. Environmental Protection Agency is responsible for responding to the release or threat of release of hazardous substances, pollutants or contaminants into the environment- that is, for stopping further contamination from occurring and for cleaning up or otherwise addressing any contamination that has already occurred. The EPA has documented that such releases have occurred at the Ward Transformer Superfund Site (Site), located in Raleigh, Wake County, North Carolina, and has been working with several groups of potentially responsible parties (PRPs) to address the Site.

The purpose of this letter is to officially notify your company of its potential liability for the Site, as well as your company's opportunity to resolve its liability by reimbursing the EPA for its unrecovered response costs and/or working with other PRPs to clean up the Site.

Site Background

The Ward Transformer Superfund Site is located in Raleigh, North Carolina. It includes the former Ward Transformer facility, as well as surrounding properties and areas downstream, including the unnamed tributaries to Little Brier Creek, Brier Creek Reservoir, Brier Creek, Lake Crabtree and lower Crabtree Creek. The Ward Transformer Company, Inc. built a transformer facility on approximately 11 acres of the Site (previously undeveloped land) in 1964. As part of its operations, Ward built, repaired, sold and reconditioned transformers, switchgear and other similar types of electrical equipment at the Site until 2006. As a result of its operations, polychlorinated biphenyls (PCBs) and other hazardous substances were released into the environment.

To date, the EPA, the State of North Carolina and several PRPs have conducted significant response activities at the Site to address the releases and threat of additional releases of hazardous substances, which are detailed in Enclosure 1.

#### Explanation of Potential Liability

Under Section 107(a) of CERCLA, PRPs may be held liable for all costs incurred by the EPA (as well as any interest that accrues) in responding to any release or threatened release of hazardous substances at the Site, unless the PRP can show divisibility of harm or assert any of the other statutory defenses. PRPs include current and former owners and operators of the Site, as well as persons who arranged for treatment and/or disposal of any hazardous substances found at the Site, and persons who accepted hazardous substances for transport and selected the site to which the hazardous substances were delivered. Based on information currently available, the EPA believes that your company may be liable under CERCLA Section 107(a)(3) with respect to the Site as an arranger who, by contract or agreement, arranged for the disposal, treatment or transportation of hazardous substances to the Site.

#### Demand for Reimbursement of Costs

In accordance with Section 104 of CERCLA, the EPA has already taken certain response actions which are described in Enclosure 1, and incurred response costs. Therefore, the EPA is seeking to recover its unreimbursed costs from PRPs at the Site, including your company. As of November 15, 2012, EPA's total response costs at the Site are \$5,863,367.06 and its total unreimbursed costs are \$3,491,011.39. A summary of these costs is included as Enclosure 2 to this letter.<sup>1</sup> Pursuant to Section 107(a) of CERCLA, the EPA hereby makes a demand for payment from your company and other PRPs for the above unreimbursed amount, plus all interest authorized to be recovered under Section 107(a).

#### Opportunity to Settle

The EPA would like to invite your company to attend a meeting at EPA's Regional office in Atlanta, Georgia, to discuss a potential settlement, including reimbursing the EPA for its response costs and/or joining PRP groups who are currently conducting a Remedial Investigation/Feasibility Study on Operable Unit (OU2) and a Remedial Design/Remedial Action at OU1, as well as answer any other questions you may have regarding the Site.

The meeting will be held at the EPA Region 4 office located at the Sam Nunn Atlanta Federal Center (SNAFC) at 61 Forsyth Street, S.W., Atlanta, Georgia 30303, and it is scheduled to take place at 10:00 a.m., January 11, 2013, in Rooms B and C of the SNAFC. Please be aware that

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<sup>1</sup> Enclosure 2 is a summary of all EPA response costs at the Site. To date, EPA has collected approximately \$2,372,355.06 in partial reimbursement of this amount.

you will have to show picture I.D. and pass through a security screening in order to enter the building. As a result, please plan on arriving at least thirty minutes prior to the meeting in order to go through security and obtain a temporary visitor's badge. The meeting will begin at 10:00 a.m. and may last into the afternoon. Please contact Ms. Jade Rutland by December 28, 2012, at (404) 562-9562 if you plan to attend, so that arrangements for the temporary badges can be made in advance.

This meeting is designed to share information about the Site, ongoing and planned cleanup activities and the proposed settlement. The EPA expects that all interested PRPs also will use the meeting day as an opportunity to meet as a group (outside of the presence of representatives of the EPA) to form a PRP steering committee structure or to advance internal negotiations toward resolving joint and several liability at the Site. The EPA would like all PRPs interested in engaging in these negotiations to jointly select one representative for all of the PRPs. The EPA will be available most of the day to negotiate, assist with PRP group issues and answer questions. If your company would like to participate in this settlement, please plan to attend this meeting.

Based on the legal nature of the discussions, the EPA encourages all parties to consult with and/or involve legal counsel as part of these negotiations. Although EPA personnel will be available to answer questions, this meeting will not be an appropriate forum to argue individual liability issues. Those issues should instead be submitted in writing and discussed with Ms. Janice Thomas on an individual basis at a separate time.

At the meeting, you will be provided with copies of manifests and other evidence relating to your company. Also you will be provided with a copy of the proposed settlement agreement, which will be discussed in greater detail at that time.

#### Ability to Pay

The EPA is aware that the financial ability of some PRPs to conduct or contribute toward the payment of response costs at the Site may be substantially limited. If your company falls within this category, please complete and return the enclosed "Financial Statement of Corporate Debtor" form (Enclosure 3) to Ms. Janice Thomas no later than January 4, 2013. You also must submit financial records, including copies of the company's annual federal income tax returns, for the past five (5) years.

If the EPA concludes that you have adequately substantiated your company's inability to pay claim, the EPA may offer a schedule for payments over time or a reduction in the total amount demanded from your company. If you have any further questions regarding an inability to pay claim, please contact Ms. Janice Thomas at 404-562-8895 or email at [Thomas.Janice@epa.gov](mailto:Thomas.Janice@epa.gov).

Please note that because the EPA has a potential claim against your company, you must include the EPA as a creditor if your company files for bankruptcy. The EPA reserves the right to file a proof of claim or an application for reimbursement of administrative expenses.

### Insurance Coverage

Some or all of the costs associated with the proposed settlement offer may be covered by current or past insurance policies issued to your company. Most insurance policies require that the insured timely notify the insurance carrier(s) of any claim against it. To evaluate whether your company should notify your insurance carrier(s) of this demand, you may wish to review current and past policies, beginning with the date of your company's first contact with the Ward Transformer Site, up to the present. Coverage depends on many factors, including the language of the particular policy and state law.

### Responding to this Letter

The following documents are enclosed with this letter:

- Enclosure 1 History of Response/Enforcement Activity Related to Site
- Enclosure 2 Superfund Cost Recovery Package Imaging and On-line System (SCORPIOS) Report
- Enclosure 3 Financial Statement of Corporate Debtor

Here is a list of steps you may wish to follow in preparing your response:

- Step 1:* Review all of the enclosed documents.
- Step 2:* If you wish to assert an inability to pay claim, complete and submit to the EPA the Financial Statement of Corporate Debtor form, along with copies of your company's federal income tax returns for the past five (5) years. These documents are due to EPA by January 4, 2012.
- Step 3:* If you would like to provide the EPA with additional supporting documentation in an effort to reduce your company's waste volume, this information is due to Ms. Janice Thomas by January 4, 2012.
- Step 4:* If you wish to resolve your company's potential liability to the EPA through a settlement agreement, plan to attend the meeting at the EPA's Region 4 Office on January 11, 2012, at which time the EPA will provide you with a copy of the proposed settlement agreement and will discuss the terms and conditions of the offer in greater detail.
- Step 5:* If you do not wish to accept the settlement offer, respond to the EPA in writing explaining why not. This explanation is also due to Ms. Janice Thomas by December 28, 2012.

### Administrative Record

The EPA has established an Administrative Record that contains documents that served as the basis for the EPA's selection of the remedy for OU2. The Administrative Record is located at the EPA Superfund Records Center, 61 Forsyth Street, SW, Atlanta, Georgia 30303, and is available to you and the public for inspection and comment. Additional Site information can be found on the EPA's website at <http://epa.gov/region4/superfund/sites/npl/northcarolina/wardtrnc.html>.

### Resources and Information for Small Businesses

As you may be aware, on January 11, 2002, the Superfund Small Business Liability Relief and Brownfields Revitalization Act was signed into law. This Act contains several exemptions and defenses to CERCLA liability, which all parties should evaluate. You may obtain a copy of the law via the Internet at <http://www.epa.gov/swerosps/bf/sblbra.htm> and review the EPA guidances regarding these exemptions at <http://www.epa.gov/compliance/resources/policies/cleanup/superfund>.

The EPA has created a number of helpful resources for small businesses, including the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various forms of resources to small businesses. You may inquire about these resources at [www.epa.gov](http://www.epa.gov). In addition, the EPA Small Business Ombudsman may be contacted at [www.epa.gov/sbo](http://www.epa.gov/sbo).

Please give all the matters discussed above your immediate attention and consider consulting with an attorney. If you have any legal questions, please contact Associate Regional Counsel, Ms. Jade Rutland at (404) 562-9562. For all other questions, please contact Enforcement Project Manager, Ms. Janice Thomas, at (404) 562-8895. Thank you for your prompt attention to this matter.

Sincerely,



Anita L. Davis, Chief  
Superfund Enforcement and Information  
Management Branch

### Enclosures

1. History of Response/Enforcement Activity Related to the Site
2. Superfund Cost Recovery Package Imaging and on-line System ( SCORPIOS) Report
3. Financial Statement of Corporate Debtor